

ASSEMBLY BILL

No. 2006

Introduced by Assembly Member John A. Pérez

February 23, 2012

An act to amend Section 14800 of the Financial Code, relating to credit unions.

LEGISLATIVE COUNSEL'S DIGEST

AB 2006, as introduced, John A. Pérez. Credit union services.

Existing law prohibits an officer, director, committee member, or employee of a credit union from extending any benefit or service of the credit union to any person, unless that person is admitted to membership in the credit union. Existing law also prohibits a credit union from creating any obligation with a person who is not admitted to membership in the credit union, except as specified. A knowing or willful violation of these provisions is a crime, as specified.

This bill would authorize a credit union to sell, to persons in the field of membership, negotiable checks, money orders, and other similar money transfer instruments. The bill would also authorize a credit union to, for a fee, cash checks and money orders and receive international and domestic electronic fund transfers for persons in the field of membership.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14800 of the Financial Code is amended
2 to read:

1 14800. (a) Every credit union may admit to membership those
2 persons qualified for membership upon the occurrence of any of
3 the following:

4 (1) Upon the purchase of a membership in the credit union as
5 provided in the credit union's bylaws.

6 (2) Upon the payment of an entrance fee established from time
7 to time by the board of directors.

8 (3) Upon the purchase of one or more shares in the credit union
9 as provided in the credit union's bylaws.

10 (b) No officer, director, committee member, or employee of
11 any credit union shall approve a person for admission to
12 membership or admit an applicant for membership in the credit
13 union or extend any benefit or service of the credit union to any
14 person, unless that person is admitted to membership in the credit
15 union pursuant to subdivision (a).

16 (c) Nothing in subdivisions (a) and (b) shall be construed to
17 limit the powers of a credit union to engage in joint service
18 programs or business relationships for the benefit of their members
19 where some incidental benefit may flow to third parties to the
20 transaction or the authority for a credit union to engage in joint
21 loan programs pursuant to Section 14959.

22 (d) Nothing in this section prohibits a credit union from
23 admitting to membership a corporation in which the credit union
24 holds shares pursuant to Section 14650 or a corporation formed
25 to provide services to credit unions or to credit union members in
26 which the credit union holds shares or a limited liability company
27 formed to provide services to credit unions or to credit union
28 members in which the credit union holds membership or economic
29 interests pursuant to Section 14651.

30 (e) *Notwithstanding subdivision (b) and Section 14750, a credit*
31 *union may do all of the following:*

32 (1) *Sell, to persons in the field of membership, negotiable checks,*
33 *including travelers checks, and money orders, and other similar*
34 *money transfer instruments, including international and domestic*
35 *electronic fund transfers.*

36 (2) *Cash checks and money orders and receive international*
37 *and domestic electronic fund transfers for persons in the field of*
38 *membership for a fee.*

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